



USAID
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Guidance on Closeout Procedures for A&A Awards

An Additional Help Document for ADS Chapters
302, 303, and 309

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Purpose

This guide summarizes the basic steps needed for the administrative closeout of physically completed acquisition and assistance instruments (collectively referred to in this guidance as “awards”). Whether or not specifically addressed here, when closing out the awards files, Contracting Officers (CO) and Agreement Officers (AO) must still comply with all terms and conditions in the award. This applies to any applicable regulations and required procedures, including the following:

- [FAR 4.804 – Closeout of contract files;](#)
- [FAR 42.708 – Quick Closeout Procedures;](#)
- [OMB Circular A-110 – Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, Subpart D.71;](#) and
- [22 CFR 226.71-73.](#)

Applicability

This guide applies to all acquisition (including purchase orders and personal services contracts) and assistance awards (including those to Public International Organizations (PIOs)). It does not apply to Interagency Agreements issued by the USAID Office of Acquisition & Assistance (OAA) or Missions since closeout of these awards is addressed in [ADS 306.3.12](#). It does not address acquisition or assistance awards in litigation, awards under appeal, or to terminated contracts where all termination actions have not been completed (see [FAR 4.804-1\(c\)](#)).

Primary Responsibilities

The Contracting/Agreement Officer (CO/AO)

COs and AOs, or their designees, initiate the administrative closeout process. In USAID/Washington (USAID/W), all subsequent closeout actions for awards issued by OAA are performed in Bureau for Management, Office of Acquisition & Assistance, Cost, Audit and Support Division, Overhead, Special Costs and Contract Closeout Branch (M/OAA/CAS/OCC) (see Administrative Contracting Officer (ACO) in the next section).

When a separate ACO is responsible for closeout, the CO/AO notifies the ACO when an award is ready for closeout. When responsibility for closeout is not delegated to an ACO, the CO/AO is responsible for performing all required administrative closeout activities and issuing the completion statement. While the CO/AO may designate another individual to perform many of the contract closeout functions, only a warranted CO or AO, including the ACO, has the authority to direct the contractor (either by letter or modification) and sign the completion statement.

The Administrative Contracting Officer (ACO)

In locations where there is an ACO assigned for contract closeout, the ACO is responsible for performing all required administrative closeout activities and issuing the completion statement. In USAID/W, the M/OAA/CAS/OCC Team Leader serves as the Agency's ACO for all physically complete awards issued by OAA. For purposes of this guide, the term ACO may also refer to the AO performing assistance closeout functions. In Missions, the CO or AO generally retains closeout responsibilities, although they can be delegated to another warranted CO or AO. While the CO/AO may designate another individual to perform many of the contract closeout functions, only a warranted CO or AO, including the ACO, has the authority to direct the contractor (either by letter or modification) and sign the completion statement.

The Contracting Officer's Representative (COR) or Agreement Officer's Representative (AOR)

The COR or AOR certifies that all supplies or services for a specific award have been received. This includes the delivery of all required reports, the proper disposition of property, and any other award requirements. The COR or AOR also regularly monitors the financial status of the award and works with the CO or AO to deobligate excess funds as soon as they are identified.

Paying Office

In the Missions, the paying office for direct reimbursable awards is the USAID Mission or Regional Controller. In USAID/W, the paying office is the Bureau for Management, Office of the Chief Financial Office, Cash Management and Payments Division (M/CFO/CMP). The paying office provides the CO/AO with financial status information and, in the Mission, it also deobligates funds during the closeout of Mission-administered awards. For awards paid under a Letter of Credit, M/CFO/CMP/LOC provides the financial status information. The majority of Grants and Cooperative Agreements are paid through a Letter of Credit.

Overhead, Special Costs, and Closeout Team (M/OAA/CAS)

M/OAA/CAS manages the closeout of all Washington-administered awards issued by OAA, and provides guidance to the internal and external procurement community regarding the closeout process. The Office also negotiates indirect cost rate agreements for USAID-cognizant organizations.

Audit Management Officer

Responsibility for audit oversight resides at different levels of the organization. The Contract Audit Management Team (M/OAA/CAS/CAM), the Regional Inspector General (RIG), or another designated office may be the Audit Management Officer for a particular award. The Audit Management Officer is responsible for:

- Providing copies of audits upon request;
- Answering audit-related questions;
- Working with the USAID Office of the Inspector General (OIG) and the Defense Contract Audit Agency (DCAA) to schedule audits of for-profit organizations;

- Maintaining audit inventory of foreign organizations receiving centrally funded awards issued by M/OAA, including those in non-presence countries; and
- Ensuring that the required audits are conducted.

GUIDANCE

I. Physical Completion

An award is generally considered physically complete when:

| <u>Acquisition</u> | <u>Assistance</u> |
|--|---|
| The contractor has completed the contractually required deliveries, and the Government has inspected and accepted the supplies; or | The funding period, or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions, has expired; or |
| The contractor has performed all contractually required services, and the Government has accepted these services; and | The total award amount has been expended; and |
| All option provisions, if any, have expired. | The recipient has complied with all applicable terms and conditions of the award, and the Government has confirmed compliance. |

For guidance on facilities contracts, terminated contracts, or other contracts not addressed in this guidance, refer to [FAR 4.804](#).

II. Actions Prior to Physical Completion of the Award

The following actions should be completed during the last three months of award performance:

- The CO/AO should review the official award files to ensure they include all required documentation (see [FAR 4.803, Contents of Contract files](#)).
- For awards performed overseas, the COR should ensure that the demobilization plan has been received (if required under the award and demobilization actions are being followed according to the plan.)
- The CO/AO should determine whether the deobligation of excess residual funds is warranted and subsequently deobligate these funds, if appropriate (see the [Deobligation Guidebook](#)).

III. Actions Upon Physical Completion of the Award

The CO/AO initiates the administrative closeout of an award as soon as possible after physical completion, but no later than three months after physical completion.

If the CO/AO has not recently reviewed the award to determine whether there are excess funds that can be deobligated, he or she should do so at this point (see the [Deobligation Guidebook](#)). When an award will be transferred to an ACO, the CO/AO completes the initial funds review and deobligation of these funds prior to transfer.

For OAA-issued awards in USAID/W, the CO/AO returns all the award files to the file room and notifies the ACO that the award is physically complete and ready for closeout. These steps transfer responsibility for subsequent closeout actions to the ACO.

The CO/AO or ACO and his or her designees are responsible for performing the remaining closeout actions for specific instrument types (outlined in Section IV below) in accordance with the timelines established in [FAR 4.804-1](#) (Note: Although the FAR does not apply to assistance awards, USAID applies the same timelines to assistance awards as a matter of policy).

IV. Actions for Closeout of Acquisition and Assistance Awards

The CO/AO or ACO documents that all necessary actions have been completed. Use one of the hyperlinked contract completion statements or checklists, or an equivalent format, which confirms that all administrative actions are completed, such as disposition of USG property or patent clearance. Not all actions on the checklist will be required for every award. Use the instrument specific procedures outlined in the hyperlinked sections below and the award requirements to determine which actions you must follow:

- A. [Purchase Orders and Blanket Purchase Agreements](#)
- B. [Fixed Price Contracts and Individual, Fixed Price Delivery or Task Orders](#)
- C. [Cost Type Contracts](#)
- D. [Personal Services Contracts](#)
- E. [Grants and Cooperative Agreements](#)

Upon completion of all required closeout actions for each instrument type, the CO/AO or ACO signs the award completion statement. If the CO/AO uses a format other than the attached completion statement, he or she must ensure that all the information required by [FAR 4.804-5\(b\)](#) is included. The CO/AO or ACO places the signed completion statement in the award file, closes the file, and archives it, as appropriate. (See [ADS 502.5.7](#) and [FAR 4.805](#) for information on records disposition, retirement, and destruction).

A. PURCHASE ORDERS AND BLANKET PURCHASE AGREEMENTS

The CO/ACO performs the following actions to closeout a purchase order or blanket purchase

agreement:

1. Obtains confirmation from the COR that the supplies or services have been received and that the COR has no objection to the closeout of the contract file.
2. Performs a Financial Reconciliation:
 - Obtains a statement from the paying office indicating the status of the final payment. This statement includes the total amounts recorded as obligated and expended and the amount of the unliquidated balance.
 - Contacts the contractor and requests an invoice for final payment if it has not been submitted.
 - Confirms that the total obligation specified in the contract matches the total obligation reported by the paying office.
3. Deobligates any residual funds, if necessary. (See the [Deobligation Guidebook](#))
4. Signs the award completion statement. If the CO/ACO uses a format other than the attached completion statement, he or she must ensure that all the information required by [FAR 4.804-5\(b\)](#) is included.
5. Places the signed completion statement in the award file, closes the file, and archives it, as appropriate. (See [ADS 502.5.7](#) and [FAR 4.805](#) for information on records disposition, retirement, and destruction).

B. FIXED PRICE CONTRACTS AND INDIVIDUAL, FIXED PRICE DELIVERY, OR TASK ORDERS

Firm-fixed-price contracts, other than those using simplified acquisition procedures, should be closed within six months after the date on which the CO/ACO receives evidence of physical completion (see [FAR 4.804-1\(a\)\(2\)](#)). The CO/ACO performs the following actions to close the contract or order:

1. Obtains confirmation from the COR that the contractor has fully complied with all the terms and conditions of the contract, including the delivery of all required reports and the proper disposition of Government property, if any, and that the COR has no objection to the closeout of the contract file.
2. Confirms that the contractor has provided complete and up-to-date inventory records for Government-owned (title held by the U.S. Government), funded, or furnished property, and/or host-country owned property (see also [AIDAR 752.245-71](#)). Ensures that property disposition instructions include the identity of the property recipient(s) and any other pertinent information. The COR may have certified to this in Step 1.

3. Performs a Financial Reconciliation:

- Obtains a statement from the paying office indicating the status of the final payment. This statement includes the total amounts recorded as obligated and expended, and the amount of the unliquidated balance.
 - Contacts the contractor and requests an invoice for final payment if it has not been submitted.
 - Confirms that the total obligation specified in the contract matches the total obligation reported by the paying office.
- 4. Deobligates any residual funds, if applicable. (See the [Deobligation Guidebook](#).)**
- 5. Ensures that a contractor performance report is completed if the contract meets the applicable threshold.**
- 6. Signs the contract completion statement. If the CO/ACO uses a format other than the attached completion statement, he or she must ensure that all the information required by [FAR 4.804-5\(b\)](#) is included.**
- 7. Places the signed completion statement in the award file, closes the file, and archives it, as appropriate. (See [ADS 502.5.7](#) and [FAR 4.805](#) for information on records disposition, retirement, and destruction).**

C. COST TYPE CONTRACTS

Cost type contracts should be closed within 36 months after the date on which the CO receives evidence of physical completion (see [FAR 4.804-1\(a\)\(3\)](#)). The CO/ACO performs the following actions to closeout a cost type contract:

1. Confirmation of Completion. Obtain confirmation from the COR that the contractor has fully complied with all terms and conditions of the contract, including the delivery of all required reports and the proper disposition of Government property, if any, and that the COR has no objection to the closeout of the contract file.

2. Request that the Contractor:

- Confirm the settlement of subcontracts, if any.
- Confirm that all requirements of the “Reports” clause in the contract have been met, including submission of necessary copies to Bureau for Management, Office of the Chief Financial Officer, Knowledge Management Division (M/CIO/KM).

- Submit a final inventory of all residual non-expendable property titled in the Government or the Host Country which was acquired or furnished under the contract, if any.
- If required by the terms of the award, submit as applicable:
 - A final patent report
 - A final copyright report
 - A final royalty report
 - A list of "limited official use" or "classified" material.
- Submit a schedule of costs incurred by cost element (direct labor, fringe, overhead, etc.) for the contract. This schedule should show the amount of costs claimed, by cost element, for each fiscal year.
- Submit the final voucher (SF-1034), marked as "FINAL" and contractor's release form (AID 1420-40) to the paying office, if it has not already been received.

3. Indirect Cost Rates Settled. Confirm that any indirect cost rates have been finalized for the entire period of contract performance and that the contractor has adjusted the costs to the final rates. In many cases, rate adjustment vouchers are the final vouchers for the contract. CO/ACOs should use quick closeout procedures when appropriate, (See [FAR 42.708](#) and [Attachment M – Quick Closeout Guidance](#).)

4. Perform a Financial Reconciliation:

- Obtain a statement from the paying office indicating the status of the final payment, including the total amounts recorded as obligated and expended, and the amount of the unliquidated balance.
- Confirm that the total obligation specified in the contract matches the total obligation reported by the paying office.
- **Final Voucher.** The contractor is required to submit a final voucher within 120 days of the finalization of indirect cost rates. The final voucher may be an additional billing, a credit to the Government, or no change in billing, but the contractor must submit a voucher marked "final." The paying office will forward the final voucher to the appropriate CO (this should include a notice of the total amount obligated and the total amount paid prior to payment of the final voucher).

USAID will not pay the final voucher until all actions necessary to settle the contract have been completed. If the final voucher includes a refund to the Government, the CO/ACO must ensure that the contractor has paid the refund amount to USAID. Acceptance of the final voucher occurs on the effective date of contract settlement, that is, when the CO/ACO has determined the final price of the contract and has received the contractor's

release of claims form for that amount. Payment of the final voucher is not subject to prompt payment provisions until acceptance (see [FAR 32.904](#)).

5. Government Property. If applicable, provide the contractor with instructions for the disposition of residual Government or Host Country property, if any.
6. Classified Material. If classified information is provided under the contract, provide the contractor with instructions for the disposition of “limited official use” or “classified” material. In such cases, the contract must include a [DD Form 254, Department of Defense – Contract Security Classification Specification](#). See [ADS 567, Classified Contracts, Grants, Cooperative Agreements, and Contractor/Recipient Personnel Security](#) for further information regarding the **DD Form 254** and coordinate with the USAID Office of Security, as needed.
7. Patent Report. If applicable, transmit the contractor’s final patent report to the COR and obtain confirmation that the contractor has complied with all requirements of the contract’s patent rights clause. Place a copy of the final patent report in the contract file.
8. Audit. As discussed in [ADS 591.3.3.2, Closeout Audits](#), annual incurred cost audits may be acceptable as fulfilling the final incurred cost audit requirements for U.S. and foreign for-profit organizations. For contracts with U.S.-based organizations having a total estimated cost not in excess of \$500,000, M/OAA/CAS/CAM will perform a risk analysis and may recommend to the CO that the final incurred cost audit be waived.

For contracts with foreign-based for-profit organizations not in excess of \$300,000, the CO/ACO and Controller should perform a risk assessment to determine whether a final incurred cost audit is necessary. When a contract exceeds the threshold or the conclusion of the risk analysis is that an audit is appropriate, the CO/ACO must ensure that a final incurred cost audit is conducted.

If the risk analysis concludes that a final incurred cost audit is not required, a desk review should be performed in lieu of an audit to confirm that:

- The amounts claimed as direct costs appear acceptable under the contract and the applicable cost principles;
- The final amounts for indirect costs have been determined; and
- The amount of the contractor’s cumulative claim (less any payments made) does not exceed the total amount of funds obligated under the contract.

The CO/ACO must confirm that any audit recommendations, whether from a final incurred cost audit or any prior audits, have been resolved. The contract must not be closed until final action has been taken on all audit recommendations.

Additional information regarding audit requirements may be found in [ADS 591, Financial Audits of USAID Contractors, Grantees, and Host Government Entities](#).

9. Settlement of Disallowed Costs. Resolve all disallowed or questioned costs identified in the final audit report or desk review or costs otherwise in question. Review the schedule of costs incurred and compare it to the incurred cost audit.
10. Final Price. Establish the final contract price to USAID; that is, the total allowable costs accepted by the CO/ACO (including indirect costs, if applicable) plus the fixed fee, if any. If the contractor does not respond to the CO/ACO's inquiries regarding closeout matters, or if the CO/ACO is unable to obtain a completed [Form 1420-40, Contractor's Release and/or Assignment of Refunds, Rebates, Credits, and Other Amount](#) the CO/ACO must determine the final contract price on information immediately available. The CO/ACO must follow the procedures in [FAR 33.2- Disputes and Appeals](#) for issuing a contracting officer's final decision. If the CO/ACO receives no response from the contractor within 90 days of the confirmed date the contractor received the final decision letter, the decision is considered to represent a final release and the contract can be closed. The CO/ACO must document in the file all attempts to obtain the required information.
11. Contractor's Closing Statement. Verify that the contractor submitted the release form ([AID Form 1420-40](#)) for the final price of the contract and that the amount reflected on the release matches the final voucher amount. Technically, both "Release" and "Assignment" should be marked on the form. Deobligate any residual funds, if applicable. (See the [Deobligation Guidebook](#).)
12. Ensures that a contractor performance report is completed if the contract meets the applicable threshold.
13. Signs the award completion statement. If the CO/ACO uses a format other than the attached completion statement, he or she must ensure that all the information required by [FAR 4.804-5\(b\)](#) is included.
14. Places the signed completion statement in the award file, closes the file, and archives it, as appropriate. (See [ADS 502.5.7](#) and [FAR 4.805](#) for information on records disposition, retirement, and destruction).

D. PERSONAL SERVICES CONTRACTS

Personal services contracts should be closed within 20 months of the month in which the CO/ACO receives evidence of physical completion (see [FAR 4.804-1\(a\)\(4\)](#)). The CO/ACO performs the following actions to closeout a personal services contract:

1. Obtains a statement from the paying office indicating the status of the final payment, including the total amounts recorded as obligated and expended, and the amount of the unliquidated balance. Confirms that the total obligation specified in the contract matches the

total obligation reported by the paying office.

2. If the voucher requesting final payment has not been submitted, contacts the contractor to request it.

3. Confirms that all applicable Federal income tax withholdings, accrued vacation, and medical insurance have been paid.

4. Contractor's Closing Statement. Verify that the contractor submitted the release form ([AID Form 1420-40](#)) for the final price of the contract and that the amount reflected on the release matches the final voucher amount. Technically, both "Release" and "Assignment" should be marked on the form. Deobligate any residual funds, if applicable. (See the [Deobligation Guidebook](#).)

5. Signs the award completion statement. If the CO/ACO uses a format other than the attached completion statement, he or she must ensure that all the information required by [FAR 4.804-5\(b\)](#) is included.

6. Places the signed completion statement in the award file, closes the file, and archives it, as appropriate. (See [ADS 502.5.7](#) and [FAR 4.805](#) for information on records disposition, retirement, and destruction).

E. GRANTS AND COOPERATIVE AGREEMENTS (Including those to PIOs)

The AO/ACO performs the following actions to close out an assistance award:

1. Technical Office Clearance. Obtains confirmation from the AOR that the recipient has fully complied with all the applicable terms and conditions of the award, including the delivery of all required reports and the proper disposition of Government property, if any, and that the AOR has no objection to the closeout of the award file.

2. Instructions to the Recipient. Requests that the recipient submit the following:

- Written confirmation that the recipient has met all report requirements under the award provisions, or if all required reports have not been submitted, a written list of those reports still outstanding.
- A final expenditure report to the paying office if not already submitted. This document should show any amount owed to the organization or to the Government due to rate adjustments and establish a final cost for this award.
- A final **Federal Financial Report (SF- 425)** to the paying office if an advance was provided, or, for a cost reimbursable award, both a **Request for Advance or Reimbursement (SF- 270)** and a final **Financial Report (SF- 425)**. [Note: these

Standard Forms are only available on the USAID intranet.]

- A completed [Indirect Cost Rate Certification](#) form, including a copy of the most recent Government-approved Negotiated Indirect Cost Rate Agreement (NICRA) if applicable.
- A completed [Audit Certification](#) form.
- A final inventory of personal property acquired with Federal funds or received from the Federal Government in accordance with Sections 31 through 37 of Subpart C of OMB Circular A-110.
- A final inventory of all equipment acquired with award funds and all federally-owned equipment and property ([OMB Circular A-110 Subpart C 34\(g\)\(4\)\(ii\) and 33\(a\)\(1\)](#)).
- If required by the terms of the award, the following, as applicable:
 - A final patent report,
 - A final copyright report,
 - A final royalty report,
 - A list of “limited official use” or “classified” materials provided.

3. Classified Material. If applicable, provide the recipient with instructions for the disposition of “limited official use” or “classified” material. The award must have a [DD Form 254](#) in it if the recipient has been provided with classified information. See [ADS 567, Classified Contracts, Grants, Cooperative Agreements, and Contractor/Recipient Personnel Security](#) for further information regarding the **DD Form 254** and coordinate with the USAID Office of Security, as needed.

5. Final Reports. Transmit the recipient’s final patent, royalty or copyright report(s), if any, to the AOR and obtain confirmation that the recipient has complied with all requirements of the patent rights clause in the contract. Place a copy of the final reports in the award file.

6. Audit Requirements. Audit requirements differ depending on the value of the Government awards the recipient has received and whether it is a U.S.-based or foreign organization. Additional information regarding audit requirements may be found in [ADS 591, Financial Audits of USAID Contractors, Grantees, and Host Government Entities.](#)

a. For organizations that do not exceed the award thresholds in b. and c. below (Annual expenditure on Federal awards of \$500,000 or \$300,000 respectively), perform a desk review to confirm the following:

- The amounts claimed as direct costs appear acceptable under the award and applicable cost principles;
- The final amounts for indirect costs have been determined; and

- The amount of the recipient’s cumulative claim (less payments made) does not exceed the total amount of funds obligated under the award.

The AO/ACO may request a final audit, despite the audit threshold amount, in cases where the integrity of the recipient’s accounting system or the legitimacy of claimed costs are in question. Additionally, the AO/ACO may request a final audit when he or she determines that the possible benefit to be derived from the final audit outweighs the cost of performing the audit.

b. U.S.-based organizations. U.S.-based organizations that expend \$500,000 or more in Federal awards (combined total from all sources) during their fiscal year must have a single or program-specific audit conducted for that year in accordance with [OMB Circular A-133](#). Verify through the [Federal Audit Clearinghouse](#) Web site that the required audits were submitted (they should be submitted within the earlier portion of 30 days after receipt of the auditor’s report, or nine months after the end of the audit period). If the required audits have not been received, request that the recipient submit them. If the audits have been received, contact M/OAA/CAS/CAM to request a copy of the audits and determine whether there are any outstanding issues.

c. Non U.S.-Based organizations. Foreign organizations that expend \$300,000 or more per their fiscal year in Federal Awards (such as recipients of Government direct awards or as sub-recipients) must have an annual audit conducted in accordance with the requirements detailed in the “Guidelines for Financial Audits Contracted by Foreign Recipients,” which is published by the OIG. Contact the cognizant Regional Inspector General (RIG) audit office to request a copy of the audits needed.

Note: The [Single Audit Database](#) is a Web-based data system that may be useful to AOs. It displays the results of A-133 audits of U.S. organizations.

7. Management Decision. Resolve all disallowed or questioned costs identified in the final audit report or desk review, as applicable, or costs otherwise in question.

8. Indirect Cost Rates. After indirect cost rates have been finalized for the entire period of the award performance, obtain a statement from the paying office indicating the status of the final payment. This statement would include the total amounts recorded as obligated and expended, and the amount of the unliquidated balance. Final financial status reports (Notification of Final Voucher) for awards paid under a Letter of Credit will be issued by CFO/CMP/LOC.

9. Final Award Amount. Establish the final award amount, that is, the total allowable costs accepted by the Agreement Officer. The settlement of final indirect costs is included within the final amount. If the final award amount will exceed the total amount obligated, after assuring that the recipient has properly complied with the "Revision of Budget" clause, additional funding to cover the excess must be obtained from the technical office for obligation in the award by amendment.

- a.** When total disbursements to the recipient are less than the final award price,

request that the recipient coordinate with the cognizant payment office for the best method of receiving payment.

b. When total disbursements to the recipient are greater than the final award price, request that the recipient coordinate with the cognizant payment office on the best method for refunding the amounts due.

10. Final Reconciliation. Confirm that the final expenditure report (**SF- 425** and **SF-270**, if required) has been received. [**Note: these forms are only available on the USAID intranet.**] The recipient must state the total recorded obligation and expenditures under the award. Confirm that the total obligation specified in the award matches the total obligation reported by the paying office.

11. Deobligate any residual funds, if applicable. (See the [Deobligation Guidebook](#).)

12. The AO/ACO signs the award completion statement and places it in the award file, closes the file, and archives it, as appropriate. (See [ADS 502.5.7](#) and [FAR 4.805](#) for information on records disposition, retirement, and destruction).

***Note: For grants to PIOs, it may not be possible to obtain audits, and the PIO is not required to have an approved Negotiated Indirect Cost Rate Agreement (NICRA). AO/ACOs should attempt to gain access to audit reports, but if they are unavailable, they should proceed with closeout without them.**

V. Attachments

CO/AOs may use the samples from the list below when performing the closeout process:

Sample Internal Letters:

[Attachment A – Sample Letter to the AOR](#)

[Attachment B – Sample Letter to the COR](#)

Sample External Letters:

[Attachment C – Sample Letter to the Contractor](#)

[Attachment D – Sample Letters to the Participating/Service Agency](#)

[Attachment E – Sample Letter to the Contractor regarding Excess Funds](#)

[Attachment F – Sample Letter to a PIO](#)

[Attachment G – Sample Letter to the Recipient](#)

Sample Completion Statements and Checklists:

[Attachment H – Completion Statement for a Cost type Contract with Checklists for Internal Approvals](#)

[Attachment I – Contract Completion Statement – Basic Version](#)

[Attachment J – Contract Combined Checklist with Completion Statement](#)

[Attachment K – Assistance Combined Checklist and Completion Statement](#)

[Attachment L – Cooperative Agreement or Grant Completion Statement - Basic Version](#)

Guidance and Letters for Quick Closeout:

[Attachment M – Quick Closeout Guidance](#)

[Attachment N – Sample Letter to the Contractor Regarding Quick Closeout](#)

Financial Forms and Sample Letters:

[AID Form 1420-40, Contractor's Release and/or Assignment of Refunds, Rebates, Credits, and Other Amounts](#)

[Attachment O – Financial Information Checklist – Direct Reimbursement](#)

[Attachment P – Memo to LOC Requesting Notice Of Final Voucher \(AO does not have the SF-425\)](#)

[Attachment Q – Memo to LOC Requesting Notice of Final Voucher \(AO does have the SF-425\)](#)



Attachment A – Sample Letter to the AOR

MEMORANDUM

TO: Agreement Officer’s Representative (AOR), [insert AOR name]
Location: Room xx, RRB
FROM: Agreement Officer, [insert AO name]
Location:
SUBJECT: Closeout of Award No.
with
DATE:
REFERENCE: Activity Title:

Our records indicate that subject award was physically completed as of . If you are not currently the designated AOR for this award, please identify the individual who was designated in your place and return this form to me.

To facilitate the formal closeout of this award, please advise on the following:

Action: Date Completed

| | |
|--|--|
| Technical office clears | |
| All required reports have been provided | |
| Any Classified Material has been dispositioned | |
| Final patent report has been cleared | |
| Property clearance received | |

If the recipient has not fully complied with all the applicable terms and conditions of subject award, those specific terms and conditions should be cited on the reverse side of this memo. If the recipient has fully complied, please sign the certification below and return this document to me. Upon receipt of your confirmation, I will proceed with closeout of this award.

_____ Date
[insert AO name]

I, [insert AOR name], confirm that the recipient has fully complied with all the applicable terms and conditions of subject award.

_____ Date
AOR Signature

Attachment C – Sample Letter to the Contractor

Subject: Closeout of USAID/W Contract No.

Our records indicate that subject US Agency for International Development (USAID) cost reimbursement contract was completed on or about . To facilitate the formal closeout of this contract, you are required to take the actions below:

1. Confirm that your organization has met all the requirements of the "Reports" clause in the contract, including submission of appropriate report copies to the Development Experience Clearinghouse (DEC).

2. Confirm the settlement of all Subcontracts, if any.

3. Submit a final inventory of all residual non-expendable property titled in the U.S. Government, which was acquired or furnished under the contract, if any. Disposition instructions will follow.

4. Submit a final patent report, if required by the terms of the contract.

5. Submit a final royalty report, if required by the terms of the contract.

6. Submit a list of any residual "limited official use" or "classified" materials provided under the contract, if any. Disposition instructions will follow.

7. It is not possible to determine the propriety of the final voucher until all provisional indirect cost rates have been finalized. Therefore, at such time as your rates have been finalized, please submit the following to the address below:

A. Your organization's final voucher (SF-1034) and attached Contractor's Release Form. If your final voucher was submitted prior to rate finalization please submit a revised final voucher. This document should show any amount owed to your organization or to the U.S. government due to rate adjustments, and establish a final cost for this contract. The amount on item three (3) of your release form should reflect the final cost of the contract.

B. A schedule of cost incurred by cost element for subject contract. This schedule should show the amount of cost claimed, by cost element (direct labor, fringe, overhead, etc.) for each fiscal year. Please be certain the final

indirect cost rates reconcile with the lower of the NICRA determined indirect cost rates or any applicable ceiling rates. The final amount claimed should reconcile to the final voucher, prepared in paragraph (A) above.

Please complete and sign the attached information sheet and forward to Office of Acquisition and Assistance, Closeout Team, M/OAA/CAS (SA-44, 822-B), 1300 Pennsylvania Ave, U.S. Agency for International Development, Washington, D.C. 20523-7802.

PLEASE RESPOND WITHIN 30 DAYS.

If you have any questions pertaining to this matter, please contact my designee, Mr. Jesse Whittington, at (301) 486-3175.

Sincerely,

James Davis,
Contracting Officer
Office of Acquisition and Assistance

Attachments:

1. Closeout Information Sheet
2. Contractor's Release Form, AID form 1420-40



USAID
FROM THE AMERICAN PEOPLE

Attachment D – Sample Letters to the Participating/Serviceing Agency

MEMORANDUM

TO: XXXXXXXXXXXXXX
Participating Agency Name

FROM: [name]
[title]

DATE: XXXXXXXXXXXXXX

SUBJECT: Closeout of Interagency Agreement Instrument No.: XXXXXXXXXXXXXX
Participating Agency: XXXXXXXXXXXXXX.

My records indicate that the subject interagency agreement was completed on or about DATE. To facilitate the formal closeout of the interagency agreement, please advise me as follows:

The [Participating/Serviceing] Agency has submitted all financial reports required under the agreement to the USAID Paying Office.

() YES () NO

If the [Participating/Serviceing] Agency has not submitted all financial reports required under the agreement to the USAID Paying Office, please explain on the reverse side of this letter and take the necessary action to do so.

Please return this memo to me via-scanned email document to [email] or by fax at 301-589-0690 within 30 days. If you anticipate any delay, please notify me of the reason for the delay and the expected submission date. If USAID does not receive all financial reports within the time allowed by the interagency agreement, I am authorized to consider the subject agreement completed and will begin the formal process to deobligate all residual funds, based on the best information then available to me.

If you are not the proper person to receive this memorandum please return this form to me appropriately annotated, unless you know to whom it should go, in which case I ask that you kindly forward it to the proper Agency Official.

Type or print name

Signature

Date

Memorandum for Interagency Agreement Closeout

TO: Activity Manager

FROM: Agreement Officer

SUBJECT: Closeout of Interagency Agreement No.: with USG Agency

REFERENCE: Activity Title:

DATE:

USAID records indicate that the subject Interagency Agreement was scheduled to be completed as of . To facilitate the formal closeout of the agreement, please advise as follows:

1. The Agency has fully complied with all the applicable terms and conditions of subject Participating Agency Service Agreement, including the delivery of all required reports there under.
 YES NO

2. If the Agency has not fully complied with all applicable terms and conditions of subject Participating Agency Service Agreement, please cite on this memorandum the specific terms and conditions that were not met.

(Reverse side if more space is needed)

If OAA does not receive your answer within thirty (30) days from the date of this memorandum, we are authorized to consider the subject Participating Agency Service Agreement completed and begin the process to formally close it out based on the best information available to us and forward the Participating Agency Service Agreement records to the record center for disposal.

If you are not the proper person to receive this memorandum, please return it to me appropriately annotated, unless you know to whom it should go, in which case I ask that you kindly forward it to the proper certifying official.

Type or print name

Activity Manager Signature

Date

Sample Closeout Letter to the Participating/Service Agency

Authorized Representative
Participating Agency
Washington, DC

Subject: Closeout of USAID/ [] Agreement [Interagency Agreement] No. _____

Ladies and Gentlemen:

My records indicate that the subject interagency agreement was [scheduled to be] completed on or about [date]. To facilitate the formal closeout of the interagency agreement, please advise me as follows:
The [Participating/Service] Agency has submitted all financial reports required under the agreement to [the USAID Paying Office].

() YES () NO

If the [Participating/Service] Agency has not submitted all financial reports required under the agreement to [the USAID Paying Office], please explain on the reverse side of this letter, sign and date below and return this letter to me within sixty (60) days from the date of this letter. Please include in your explanation the estimated delivery date for all outstanding financial reports. If USAID does not receive all financial reports within the time allowed by the interagency agreement, I am authorized to consider the subject agreement completed and will begin the formal process to deobligate all residual funds, based on the best information then available to me.

Please submit the above requested information to me at:
OFFICE SYMBOL AND ADDRESS,

United States Agency for International Development
Washington, D.C. 20523-_____.

If you have any questions about this matter, please contact _____, at (202) _____.

Sincerely,

Agreement Officer

[PARTICIPATING/SERVICING] AGENCY

Type or print name

Signature of Authorized Representative Date

Attachment E – Sample Letter to the Contractor Regarding Excess Funds

CONTRACT NO.:

CONTRACTOR:

1) Please advise if the unexpended balance of _____ is correct:

Yes _____ Please go directly to item #2.

No _____ Please indicate the unexpended balance per your records: \$ _____.

2) Has your organization submitted its final voucher for this contract?

Yes _____ (Please go to section A). **No** _____ (Please go to section B).

A) Have you received payment?

| | |
|--|---|
| Yes _____ (if yes complete below) | No _____ (if no complete below) |
| Do you agree that we can safely deobligate the above listed amount? Yes _____ No _____ If you do not agree with this amount, please estimate the amount that can safely be deobligated from this award \$ _____ | If you have not received payment please submit a copy of your final voucher and Contractor’s Release Form now and estimate the amount that can safely be de-obligated from this award \$ _____ |

B) No _____ Our organization has not submitted its final voucher.

Are you waiting on finalized indirect cost rates?

| | |
|--|---|
| Yes _____ (if yes complete below) | No _____ (if no complete below) |
| Please estimate the amount that will be required for final indirect rate adjustments \$ _____ and advise what residual amount can be safely de-obligated \$ _____ | Please submit your final voucher and Contractor’s Release Form now and estimate the amount that can safely be deobligated from this award \$ _____ |

COMMENTS:

Signature: _____

Type or Print Name _____

Title _____

Date _____



USAID
FROM THE AMERICAN PEOPLE

Attachment F – Sample Letter to a PIO

XXXXXXXXXXXX

XXXXXX
XXXXXX
XXXXXX
XXXXXX
XXXXXX

Dear [Insert Name of PIO representative]:

Subject: Closeout Of Assistance Instrument No.: XXXXXXXXXXXXXXX

Recipient: XXXXXXXXXXXXXXXXXXXX

Our records indicate that subject U.S. Agency for International Development (USAID/W) award was completed on or about XXXXXXXXXXXXXXX. To facilitate the formal closeout of this award, you are requested to take the necessary actions below.

1. Submit your organization's final expenditure report (SF-425/SF-270) to the USAID paying office if you have not already done so.
2. Complete and submit the "Audit Certification" form (enclosed).

All correspondence should be directed to my attention via a scanned email document at [email] or by fax at [fax]. **Please respond within 30 days.** If you anticipate a delay in submitting any of the above information, please provide the reason for the delay, and the anticipated submission date.

Sincerely,

Attachment:

1. Audit Certification

RECIPIENT:
AWARD NO:

AUDIT CERTIFICATION

I hereby certify that all required audits have been completed in accordance with the requirements of the Mandatory Standard Provisions of subject assistance instrument and that all audit findings and recommendations, if any, have been resolved.

Signature

Type or print name

Title

Date

Attachment G – Sample Letter to the Recipient

Subject: Closeout of USAID/W Assistance Award No.

Our records indicate that subject U.S. Agency for International Development (USAID/W) award was completed on or about . To facilitate the formal closeout of this award, you are required to take the actions below.

1. At such time as your rates have been finalized, please submit the following to the address provided below:
 - A. If you have not already done so, submit your organization's final expenditure report (SF-425). If your final was submitted prior to rate finalization submit a revised final expenditure report. This document should show any amount owed to your organization or to the U.S. Government due to rate adjustments, and establish a final cost for this grant.
 - B. Completed "Indirect Cost Rate Certification" and "Audit Certification" form (enclosed).
2. Submit a final inventory of residual non-consumable property titled in the U.S. Government and/or residual non-consumable property valued over \$5,000.00 titled to the Grantee, which was furnished or acquired under this award.
3. Submit a final patent report or state none required.
4. Submit a final copyright report or state none required.
5. Submit a final royalty report or state none required.
6. Confirm that all report requirements under the award provisions have been met or advise those not accomplished.

Please complete and sign the attached information sheet and forward to Office of Acquisition and Assistance, Closeout Team, M/OAA/CAS (SA-44, 822B) 1300 Pennsylvania Ave, U.S. Agency for International Development, Washington, D.C. 20523-7802.

PLEASE RESPOND WITHIN 30 DAYS.

If you have any questions pertaining to this matter, please contact my designee, Mr. Jesse Whittington, at (301) 486-3175.

Sincerely,

James Davis,
Agreement Officer
Office of Acquisition and Assistance

Attachments:

1. Closeout Information Sheet
2. Indirect Cost/Audit Certification Form

GRANT/COOPERATIVE AGREEMENT
RECIPIENT CLOSEOUT INFORMATION SHEET

GRANT NO.
RECIPIENT

- | | | |
|--|---|---|
| 1. | A. Final Expenditure Report (SF-425) ___ 1. Has been submitted ___ has been paid ___ 2. Has not yet been submitted Reason _____ Estimated submittal date _____ | B. Completed "Indirect Cost Rate Certification" and "Audit Certification" form (attached) ___ 1. Is submitted herewith ___ 2. Has not yet been submitted Reason _____ Estimated submittal date _____ |
| 2. Submit a final inventory of residual non-consumable property titled in the U.S. Government and/or residual non-consumable property valued over \$5,000.00 titled to the Recipient, which was furnished or acquired under this award. ___ Attached ___ Not Applicable Other _____ | | |
| 3. Submit a final patent report. ___ Attached ___ Not Applicable Other _____ | | |
| 4. Submit a final copyright report. ___ Attached ___ Not Applicable Other _____ | | |
| 5. Submit a final royalty report. ___ Attached ___ Not Applicable Other _____ | | |
| 6. Confirm that all report requirements under the award provisions have been met. ___ Yes ___ No Other _____ | | |

COMMENTS:

Signature _____
Type or Print Name _____
Title _____
Date _____

GRANT NO.

INDIRECT COST RATE CERTIFICATION

I certify that provisional indirect cost rates applicable for each fiscal year of performance under subject grant have been finalized, that all claims for reimbursement reflect the final indirect cost rates (subject to the limitation of funds and any applicable ceiling indirect cost rates established by this grant), and that all claims for reimbursement have been submitted.

Signature

Type or print name

Title

Date

AUDIT CERTIFICATION

I hereby certify that all required audits have been completed in accordance with the requirements of the Mandatory Standard Provisions of subject grant and that all audit findings and recommendations, if any, have been resolved.

Signature

Type or print name

Title

Date

Attachment H –Completion Statement for a Cost Type Contract with Checklists for Internal Approvals

TYPE OF CONTRACT: COST TYPE CONTRACTS

CONTRACT NUMBER:
LAST MODIFICATION NUMBER:
LAST ORDER NUMBER (if applicable)
CONTRACTOR:

ADDRESS: **SEE DETAILS ON FILE.**

CONTRACT AMOUNT:
COMPLETION DATE:
TECHNICAL OFFICE:

*****1

I. TECHNICAL OFFICE:

Has the contractor

- 1. Completed all requirements, terms and conditions? YES NO N/A
- 2. Completed all requirements of the reports clause? YES NO N/A
- 3. Complied with all requirements of the patent rights clause?
YES NO N/A
- 4. Submitted final inventory and disposed of non-expendable property?
YES NO N/A
- 5. Submitted patent, copyright and / or royalty reports? YES NO N/A
- 6. Disposed of all classified material? YES NO N/A
- 7. Has the technical office completed the Contractor Performance Report?
YES NO N/A

BASED ON THE FOREGOING, I RECOMMEND THE CLOSEOUT OF THIS CONTRACT:

COR's Printed Name: _____

Signature: _____ Date: _____

II. OFFICE OF FINANCIAL MANAGEMENT

- 1. Has the final voucher been paid? Yes No
Voucher No. _____, dated _____
- 2. Have all payment advances been liquidated? Yes No
- 3. Have all unused funds, if any, been decommitted? Yes No

Total amount paid _____ Total amount decommitted: _____

Amount of excess funds remaining, if any: _____

Date of Decomit: _____

Method to be used for decommit/deobligation: Journal Voucher Modification

BASED ON THE FOREGOING, I RECOMMEND THE CLOSEOUT OF THIS CONTRACT:

Controller's Printed Name: _____

Signature: _____ Date: _____

III.CONTRACT SPECIALIST

a) Has a final audit been completed as required by ADS 591?

YES NO N/A

1. Are all questioned costs resolved?

YES NO N/A

2. Has the final price been established?

YES NO N/A

3. Has the contractor's release been filed on AID Form 1420-40?

YES NO N/A

If # 3 above is No, has a final release been prepared under the disputes clause?

YES NO N/A

1. Has the contractor settled all subcontracts?

YES NO N/A

2. Have indirect costs been settled? (FAR 42.708)

YES NO N/A

b) Has a Desk Audit been completed, if applicable?

YES NO N/A

1. Are the direct costs acceptable?

YES NO N/A

2. Are any disallowed costs resolved?

YES NO N/A

3. Have the final indirect costs been determined?

YES NO N/A

4. Have the amounts of funds obligated been exceeded?

YES NO N/A

5. Has the final price been established?

YES NO N/A

6. Has the contractor's release been filed on AID Form 1420-40?

YES NO N/A

If # 6 above is No, has a final determination been prepared under the dispute clause?

YES NO N/A

7. Have all contract administration actions been satisfactorily accomplished?

YES NO N/A

BASED ON THE FOREGOING, I RECOMMEND THE CLOSEOUT OF THIS CONTRACT:

Contract Specialist's Printed Name: _____

Signature: _____ Date: _____

IV. CONTRACTING OFFICER:

Based on the recommendations contained in parts I through III, above, it is hereby determined that all required contract administration actions have been fully and satisfactorily accomplished.

Contracting Officer

Date

Contracting Office Name

Contracting Office Address

Attachment I – Contract Completion Statement – Basic Version

- 1. CONTRACTING OFFICE NAME:
ADDRESS:

- 2. CONTRACT NUMBER: 000-0-00-00-00000
- 3. LAST MODIFICATION NO.

- 4. CONTRACTOR NAME AND ADDRESS:

- 5. DOLLAR AMOUNT OF EXCESS FUNDS
AND DISPOSITION \$ *deobligated*

- 6. FINAL VOUCHER NO. AND DATE

- 7. PERIOD OF PERFORMANCE: FROM TO

All required contract administration actions have been fully and satisfactorily accomplished.

Comments:

Contracting Officer Name _____

Contracting Officer Signature _____

Date _____

Attachment J – Contract Combined Checklist with Completion Statement

Contractor Name and Address _____

 Contract/Order Number _____
 Last Modification Number _____
 Last Call/Order Number _____
 Final Invoice/Voucher No. and Date _____

Administrative Closeout Actions: Date Complete or N/A if
not applicable

| | |
|---|--|
| Disposition of Classified Material | |
| Final Patent Report Cleared | |
| Property Clearance Received | |
| Interim or Disallowed Costs settled | |
| Subcontracts settled by Prime Contractor | |
| Indirect Cost Rates settled | |
| Contract Audit complete | |
| Contractor’s closing statement (release) complete | |
| Contract Funds review complete | |
| Excess funds deobligated | |

All required administrative actions have been fully and satisfactorily accomplished. Excess funds in the amount of \$ _____ remain on the contract.

 (Type name of CO) Date
 Contracting Officer
 US Agency for Intl. Development
 M/OAA/CAS (SA-44, 822B)
 1300 Pennsylvania Ave
 Washington, D.C. 20523-1000

Comments:

Note: This checklist does not address outstanding VECs, plant clearance, or royalty reports because such issues are rarely encountered in USAID contracting. The CO is responsible for verifying that all requirements in 4.804-5(a) are addressed.

Attachment K – Assistance Combined Checklist and Completion Statement

Recipient Name and Address _____

 Award Number _____
 Last Modification Number _____
 Final Voucher No. and Date _____
 Program Name _____

| Administrative Closeout Actions: | Date Complete |
|--|---------------|
| Technical Office Clearance | |
| Disposition of Classified Material | |
| Final Patent Report Cleared | |
| All Final Reports Received | |
| Property Clearance Received | |
| Settlement of Cost Share/Contribution Issues | |
| Final Audit Complete | |
| Final Expenditure Report Received | |
| Cost Verification Process Completed | |
| Excess Funds Deobligated | |

All required administrative actions have been fully and satisfactorily accomplished.

 (Type name of AO) Date
 Agreement Officer
 US Agency for Intl. Development
 M/OAA/CAS (SA-44, 822B)
 1300 Pennsylvania Ave
 Washington, D.C. 20523-1000

**Attachment L – Cooperative Agreement or Grant Completion Statement -
Basic Version**

1. GRANT OFFICE NAME:
ADDRESS:

2. GRANT NUMBER XXX-X-XX-XX-XXXXX

3. LAST MODIFICATION NO.

4. GRANTEE NAME AND ADDRESS:

5. DOLLAR AMOUNT OF EXCESS FUNDS
AND DISPOSITION *\$0.00 deobligated*

6. FINAL VOUCHER FSR OR RAR NO. AND DATE

7. PERIOD OF PERFORMANCE: FROM TO

All required award administration actions have been fully and satisfactorily accomplished.

Comments:

Agreement Officer Name _____

Agreement Officer Signature _____

Date _____

[Attachment M – Quick Closeout Guidance](#)

QUICK CLOSEOUT – ACQUISITION

The Quick Closeout process offers an alternative to holding contracts open until indirect cost rates are settled. It may not be applied to assistance awards. When it becomes apparent that there will be a delay in the settlement of final indirect rates, the CO or ACO may utilize Quick Closeout where applicable.

Quick Closeout procedures facilitate settlement of unaudited indirect costs on a contract-by-contract basis, where agreement can be reached on a reasonable estimate of allocable dollars and allocable indirect costs are relatively insignificant. Quick Closeout procedures are appropriate especially where the DCAA incurred cost audit reports have historically accepted Contractor cost as proposed or with minor exceptions. It is mutually advantageous to the U.S. Government and the Contractor to expedite settlement of indirect costs and close these contracts as soon as possible, rather than waiting for final audit determination, which may take years. The determination of final indirect costs under the Quick Closeout procedure must be final for the contract it covers, but Quick Closeout rates do not establish a binding precedent for other contracts.

The procedure for Quick Closeout is identified in [FAR 42.708](#). Specifically, Quick Closeout procedures may be used if:

- The contract is physically complete.
- The amount of unsettled indirect cost to be allocated to the contract is relatively insignificant. Indirect cost amounts are insignificant when:
 - The total unsettled indirect cost to be allocated to any one contract does not exceed \$1,000,000.00.
 - Unless otherwise provided in Agency procedures, the cumulative unsettled indirect cost to be allocated to one or more contracts in a single fiscal year do not exceed 15 percent of the estimated total unsettled indirect costs allocable to cost-type contracts for that fiscal year.
- Agreement can be reached on a reasonable estimate of allocable dollars.

Procedure for Quick Closeout Rate Development. There is no guidance presented in the FAR as to how you should go about reaching reasonable Quick Closeout rates. However, the steps below present a framework that can be used in negotiating a reasonable rate.

- **Obtain the Contractor’s final rate proposal.** While there is no FAR requirement to obtain a final rate proposal before negotiating Quick Closeout rates, the practical reality is that the only sound way to begin negotiations is with a Contractor proposal, for several reasons:
 - It is difficult to negotiate rates without knowing the Contractor's position.
 - The proposal summarizes the Contractor's records on final indirect costs.
 - Requiring the proposal for Quick Closeout incentivizes timely submission of a proposal that can be used for final rate negotiations.
- **Obtain the Contractor’s proposed** indirect cost rates and NICRAs (if available) for three years preceding the fiscal year for which you are pursuing Quick Closeout.

- **Develop negotiation objective.** The CO, ACO, or his or her designee, should analyze the Contractor's proposed rates. It is important to analyze the Contractor's history. If the Contractor has a history of including unallowable costs in his or her indirect cost proposal or inflating indirect rates, it is important to decrement the Contractor's unsettled year by either establishing a decrement factor or applying a percentage of the difference. This will help ensure that the U.S. Government's financial interest is protected. Some additional sources of information for developing a negotiation objective are:
 - The final indirect cost rates agreed upon for the immediately preceding fiscal year;
 - The provisional billing rates for the current fiscal year; and
 - Estimated rates for the final fiscal year of contract performance based on the Contractor's actual data adjusted for any historical disallowance found in prior years' certified final incurred cost proposals.

After the CO or ACO has developed the U.S. Government proposed Quick-Closeout rate, he or she should contact the cognizant auditor to determine if the auditor is currently aware of any substantial exceptions to the Contractor's proposed rates.

- **Negotiate a reasonable rate.**
- **Sign a bilateral modification describing** the rates and the contract(s) to which the rates apply. Also, state that: a) the use of the Quick Closeout rate is final for the contracts involved and that differences between the Quick Closeout rates and final settlement rates cannot be shifted to other contracts; and b) agreement on Quick Closeout rates does not set a binding precedent affecting the establishment of final indirect cost rates for other contracts.
- **Distribute the modification promptly** to all involved parties (the Contractor, OFM, etc.).
- **Prepare a Negotiation Memorandum** documenting data considered during negotiations and the basis for your objective and the rates negotiated.

Attachment N – Sample Letter to the Contractor Regarding Quick Closeout

Subject: Quick Closeout of USAID/W Contract No.

Thank you for your letter dated _____ wherein you provided required closeout information for subject contract, which was completed on or about _____.

Our records indicate that indirect rates for the period of the subject contract have not been finalized. This contract qualifies for Quick Closeout (FAR 42.708). Quick Closeout would allow us to close this contract by considering the billed provisional rates to be final. Indirect cost rates used in the quick closeout of a contract shall not be considered a binding precedent when establishing the final indirect cost rates for other contracts.

Our records indicate that the total amount obligated was \$_____ and the total amount expended was \$_____. Therefore, if we implement the Quick Closeout procedure, the final cost of this contract would be \$_____.

If you agree to the Quick Closeout of this contract, please sign in the space below and return this document along with a signed Contractor's Release Form to the address below. The amount on item three (3) of your release form should reflect the final cost of the contract.

I _____ hereby agree to the Quick Closeout of the subject contract and agree that all billed provisional rates will be considered to be final for this contract only, and acknowledge that this in no way affects any other agreement between _____ and the U.S. Agency for International Development.

Please forward this document and your Contractor's Release Form to:

If you have any questions pertaining to this matter please contact my designee at:

Sincerely,

Contracting Officer
Office of Acquisition and
Assistance

1. Contractor's Release Form

Quick Closeout Request Form

Contract No. _____ **with** _____

Period of Performance – From _____ **to** _____

42.708 Quick Closeout Procedure. (Please Certify Below)

(a) The contracting officer responsible for contract closeout shall negotiate the settlement of indirect costs for a specific contract, in advance of the determination of final indirect cost rates, if --

(1) The contract is physically complete; **True/False (Circle One)**

(2) The amount of unsettled indirect cost to be allocated to the contract is relatively insignificant. Indirect cost amounts will be considered insignificant when --

(i) The total unsettled indirect cost to be allocated to any one contract does not exceed \$1,000,000 **True/False (Circle One)**; and

(ii) Unless otherwise provided in agency procedures, the cumulative unsettled indirect costs to be allocated to one or more contracts in a single fiscal year do not exceed 15 percent of the estimated, total unsettled indirect costs allocable to cost-type contracts for that fiscal year. **True/False (Circle One)**
The contracting officer may waive the 15 percent restriction based upon a risk assessment that considers the contractor's accounting, estimating, and purchasing systems; other concerns of the cognizant contract auditors; and any other pertinent information; and

(3) Agreements can be reached on a reasonable estimate of allocable dollars. **True/False (Circle One)**

(b) Determinations of final indirect costs under the quick-closeout procedure provided for by the Allowable Cost and Payment clause at FAR [52.216-7](#) or [52.216-13](#) shall be final for the contract it covers and no adjustment shall be made to other contracts for over- or under-recoveries of costs allocated or allocable to the contract covered by the agreement. **Agree/Disagree (Circle One)**

(c) Indirect cost rates used in the quick closeout of a contract shall not be considered a binding precedent when establishing the final indirect cost rates for other contracts. **Agree/Disagree (Circle One)**

Name

Title

Attachment O – Financial Information Checklist – Direct Reimbursement

Date of Request:

| | |
|-----------------|--------------------------------|
| Agreement No. | |
| Organization | |
| Expiration Date | DATE through Modification No.: |
| Type | |

| Last Paid Voucher: | | Financial Information: | |
|---------------------------|--|-------------------------------|--|
| Bureau Voucher No. | | Total Obligation | |
| Date Processed | | Total Disbursements | |
| Amount | | Outstanding Advance | |
| | | Unliquidated Obligation | |

| | | |
|----|--|--|
| 1. | Does it appear that the last paid voucher indicated above represents a final invoice? | <input type="checkbox"/> YES (go to A) <input type="checkbox"/> NO (go to 2) |
| A. | If “YES,” was this marked “final”? | <input type="checkbox"/> YES (go to 2) <input type="checkbox"/> NO (go to B) |
| B. | If this was the final voucher but it was not marked “final,” how was it determined that final payment has been made? | <input type="checkbox"/> Cover letter <input type="checkbox"/> No financial activity for years <input type="checkbox"/> Invoice through end date <input type="checkbox"/> Other |
| 2. | Has a retention fee been paid and final settlement made? | <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A |
| 3. | A. Have all applicable Federal Income Tax withholdings been paid? B. Has accrued vacation been paid? C. Has medical insurance been reimbursed? | A. <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A B. <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A C. <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A |
| 4. | Do the cumulative expenses reported by the recipient match the cumulative disbursement recorded in USAID/W’s accounting records? | <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A |
| 5. | Are any refunds to USAID pending? | <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A |
| 6. | Comments: | |
| | Prepared by | |
| | Telephone No. | |
| | Preparation Date | |



Attachment P – Memo to LOC Requesting Notice Of Final Voucher (AO does not have the SF-425)

MEMORANDUM

TO: M/CFO/CMP-LOC Unit loc@usaid.gov

FROM: Kathryn Hollingsworth
USAID Closeout Project Manager

DATE: **XXXXXXXXXXXXXXXXXX**

SUBJECT: Closeout of Assistance Instrument No.: **XXXXXXXXXXXXXXXXXX**
Recipient: **XXXXXXXXXXXXXXXXXX**.

Our records indicate that the subject award was physically completed as of **XXXXXXXXXXXXXXXXXX** and is paid through Letter of Credit. The recipient's NICRA rates are final through the entire period of the award. We do not have a FINAL SF-425 for the subject award in our file. If possible, please issue the Final Payment Report (Notification of Final Voucher) in order for us to closeout the subject award. If you are unable to do so at this time, please advise me of the reason and the expected submission date. Thank you.



Attachment Q – Memo to LOC Requesting Notice Of Final Voucher (AO does have the SF-425)

MEMORANDUM

TO: M/CFO/CMP-LOC Unit loc@usaid.gov

FROM: Kathryn Hollingsworth
USAID Closeout Project Manager

DATE: **XXXXXXXXXXXXXXXXXX**

SUBJECT: Closeout of Assistance Instrument No.: **XXXXXXXXXXXXXX**
Recipient: **XXXXXXXXXXXXXXXXXX**.

Our records indicate that the subject award was physically completed as of **XXXXXXXXXXXXXXXXXX** and is paid through Letter of Credit. The recipient's NICRA rates are final through the entire period of the award. Please find attached a FINAL SF-425 for the subject award. This is not a request for payment. If possible, please issue the Final Payment Report (Notification of Final Voucher) in order for us to closeout the subject award. If you are unable to do so at this time, please advise me of the reason and the expected submission date. Thank you.

Attachment: Final SF-425